



Council Meeting: August 31, 2010

SUBJECT: Authorization to Award Contract Not to Exceed \$270,000 to Green LMI Consulting, Inc. for Study of Silicon Valley Information Technology Subsectors

REPORT IN BRIEF

NOVA, also known as the City's NOVA Workforce Services Department, issued a Request for Proposals for a contractor to provide consulting and research services for a major study of the technology sector in Silicon Valley from a workforce development perspective. Staff recommends that the Sunnyvale City Council, on behalf of the seven-city NOVA Consortium, authorize a contract to Green LMI Consulting, Inc. in an amount not to exceed \$270,000 to conduct a labor market study of Silicon Valley information technology subsectors.

BACKGROUND

Over the last several years, regional cyclical and structural economic shocks have jolted Silicon Valley's technology-based job seekers and employers and created significant challenges in workforce efforts to effectively connect job seekers with employers seeking qualified applicants. In addition to high unemployment rates, the Silicon Valley economy has been characterized by wild and dynamic swings.

The economic volatility is not merely confined to a region or an industry. Over the last few years, many technology companies have laid off employees in one business unit while simultaneously hiring in another. This churning poses unique challenges for workforce career advisors and their dislocated customers who are trying to match their skills with new jobs in growth sectors.

Traditional labor market information—which career advisors have used to direct job seekers in their search process—is increasingly less valuable to job seekers because technology-based economic and job growth does not often fit neatly into broad sectoral categories such as software, computer hardware and internet and information services.

Further, lines are blurring between traditional industry sectors and occupational titles. Software engineers are found within computer networking, biotechnology, automotive, agricultural and food manufacturing companies. Often, engineers need to add skills in new domains. One result of the new requirement for multi-disciplinary expertise is that ongoing training and education are constant requirements up to the later stages of a career.

In order to help local workforce investment boards develop an understanding of these and other workforce trends, NOVA, in partnership with neighboring workforce boards work2future (San Jose), San Mateo County and Santa Cruz County, issued a Request for Proposals on May 21, 2010 seeking the services of one or more consultants to undertake a major research study. The study will enable the workforce agencies and community stakeholders to gain a more sophisticated understanding of the Silicon Valley technology ecosystem.

EXISTING POLICY

The proposed activities are consistent with the City of Sunnyvale's Socio-Economic Goal 5.1F: Provide job training and employment services, within constraints of operative Federal regulations and available Federal funding to address the locally-determined employment and training needs of economically disadvantaged residents and others with special needs.

DISCUSSION

In response to NOVA's Request for Proposals (RFP), four proposals were received by the June 25 deadline. In their responses, proposers were asked to describe their approach to accomplishing the deliverables outlined in the detailed RFP. Given the scope and complexity of this project, NOVA strongly encouraged RFP respondents to consider assembling cross-sectoral and multi-disciplinary consulting/research teams.

A review committee of seven individuals representing economic development, workforce boards and IT consulting reviewed and scored the proposals. The top three scoring proposers were invited for interviews with a subcommittee of the review committee, which re-ranked the proposals. The subcommittee recommended that a contract be negotiated with Green LMI Consultants, Inc.

In addition to meeting the requirements of the RFP, a distinguishing feature of Green LMI's proposal was its team approach. Green LMI Consulting will be the prime contractor under this proposal and will subcontract to the Center for Continuing Study of the California Economy, the Mid-Pacific Information and Communications Technologies Center, GMC Strategies, Inc., the San Francisco Bay Region Center of Excellence and BW Research Partnership, Inc. The team members have worked together in the past, and several partners have existing projects in the region. The interview committee was impressed by how well the partners complemented each other and by the strengths that they brought to this project.

Green LMI Consulting, Inc.'s proposal budget totaled \$222,520, which is the amount recommended for the initial contract award. However, given that NOVA allocated up to \$270,000 for this project, NOVA recommends that Council approve a total award of up to \$270,000 to Green LMI. This will allow for

contract modification should NOVA find it necessary to increase the scope of work during the course of the project.

FISCAL IMPACT

The source of funds for NOVA's portion of the project (\$150,000) is the American Recovery and Reinvestment Act. These funds were awarded to NOVA for purposes allowable under the Workforce Investment Act and are included in NOVA's existing budget. There is no negative fiscal impact on the City of Sunnyvale. Other project partners are contributing WIA funds as follows: City of San Jose-work2future (\$100,000) and the County of Santa Cruz (\$20,000).

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Council authorizes the award of a contract not to exceed \$270,000 to Green LMI Consulting, Inc. to conduct a labor market study of Silicon Valley information technology subsectors.
2. Council does not authorize the contract award.
3. Other action as determined by Council.

RECOMMENDATION

It is recommended by staff that the Sunnyvale City Council, on behalf of the NOVA seven-city consortium, adopt Alternative 1: Council authorizes the award of a contract not to exceed \$270,000 to Green LMI Consulting, Inc. to conduct a labor market study of Silicon Valley information technology subsectors.

Reviewed by:


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Prepared by: Jeanette Langdell, Employment Training Manager

Approved by:


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